

# M e m o r a n d u m

To: Utah Public Service Commission  
Steve Mecham, Chair  
Connie White, Commissioner  
Ric Campbell, Commissioner

From: Division of Public Utilities  
Lowell Alt, Division Director  
Artie Powell, Utility Economist

Date: February 24, 2003

Subject: HELP, Update

Chairman Mecham requested an update on the HELP program and, in particular, the current account balance. As of December 2002, the ending account balance stood at **\$1.2 million**, up slightly over the previous (calendar) year. The average monthly collections in 2002 were \$161,916, which is slightly greater than the monthly average of \$156,673 in 2001. The average monthly credit granted to recipients, however, increased by approximately 35% from 2001 to 2002. The average monthly credit was \$112,881 in 2001 and was \$152,781 in 2002. (See Table 1 below).

The change in the monthly credit is reflective of the change in the number of recipients participating in HELP: in 2001, the number of recipients averaged 14,578 per month; in

2002, the number of recipients averaged 19,369. The higher monthly participation figure for 2002 is partly due to a “spike” in participation over the winter/spring months. Participation peaked at 23,603 in May 2002, and then declined to around 16,000 to 17,000 participants per month in the later part of the year.

If current macro-economic trends continue, then we may witness another spike in participation in 2003. If economic recovery quickens, as Alan Greenspan has intimated, then participation levels may remain at or decline slightly from their current levels (approximately 16,500 participants per month).

If participation levels repeat themselves and remain on the high end, then, at the current average level of collections, the account balance would grow to approximately \$1.37 million and \$1.56 million by the end of 2003 and 2004 respectively. If participation levels remain at current levels,<sup>1</sup> then the account balance will grow to approximately \$1.63 million and \$2.10 million by the end of 2003 and 2004 respectively.

If collections are reduced by 1/3, then at high levels of participation, the account balance will decline to approximately \$700,000 and \$174,000 by the end of 2003 and 2004 respectively. At lower participation levels, the account balance will decline to approximately \$958,000 and \$707,000 by the end of 2003 and 2004 respectively.<sup>2</sup>

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<sup>1</sup> At current participation levels, the average monthly credit would be approximately \$132,000.

<sup>2</sup> A spreadsheet containing the Division’s calculations/predictions is available for inspection.

**Table 1: HELP Summary (Calendar Year)**

<b>Total</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Collected</b>	\$526,056.85	\$1,880,077.21	\$1,942,997.79
<b>Credit</b>	\$ 9,180.28	\$1,354,571.04	\$1,833,375.45
<b>Admin Costs</b>	\$ 8,050.16	\$ 68,312.30	\$ 21,950.52
<b>Ending Acct Balance</b>	\$513,984.80	\$1,028,107.98	\$1,190,256.67

<b>Monthly Avg</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>Collected</b>	\$131,514.21	\$ 156,673.10	\$ 161,916.48
<b>Credit</b>	\$ 2,295.07	\$ 112,880.92	\$ 152,781.29
<b>Admin Costs</b>	\$ 2,012.54	\$ 5,692.69	\$ 1,829.21

**Figure 1: Monthly Number of Recipients**

